

Message Text

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ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 AID-20 CEA-02 CIAE-00 COME-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 CIEP-02 SPC-03

STR-08 TRSE-00 LAB-06 SIL-01 OMB-01 FEA-02 SCI-06

SS-20 NSC-10 INT-08 L-03 NEA-11 PA-04 PRS-01 USIE-00

H-03 AGR-20 DRC-01 SSO-00 NSCE-00 INRE-00 EURE-00

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O R 311730Z JAN 74

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TO SECSTATE WASHDC IMMEDIATE 6369

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

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E.O. 11652: NA

TAGS: PFOR, EGEN, EEC, ENRG

SUBJ: JANUARY 30 EC COUNCIL MEETING (FOREIGN MINISTERS) -
REGIONAL POLICY

REF: EC BRUSSELS 0279

1. BEGIN SUMMARY. THE COUNCIL OF MINISTERS (FOREIGN
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MINISTERS) OF THE EUROPEAN COMMUNITY MET ON JANUARY 30

IN A SESSION SPECIALLY SCHEDULED TO DISCUSS THE CONTINUING IMPASS IN REGIONAL POLICY. THE BRITISH ANNOUNCED THEY WOULD NOT CONTINUE TO INSIST ON THE LINK BETWEEN PROGRESS ON REGIONAL POLICY, AND PROGRESS ON ENERGY POLICY AND ECONOMIC AND MONETARY UNION (EC BRUSSELS 7391) ALTHOUGH THE ITALIANS REFUSED TO BREAK THEIR LINKAGE BETWEEN REGIONAL PROGRESS AND THE RESOLUTION ON THE SECOND STAGE OF EMU. AS A RESULT, THE COUNCIL WAS ABLE TO ADOPT THE ENERGY AGENDA ITEMS DEFERRED IN DECEMBER. AT THE END OF THE LATE NIGHT MEETING, COUNCIL PRESIDENT SCHEEL ANNOUNCED THAT GOOD POSSIBILITIES EXISTED FOR AN EVENTUAL SOLUTION TO THE REGIONAL FUND ISSUE. THE COUNCIL DECIDED TO TAKE UP THE SUBJECT AGAIN AT ANOTHER SPECIAL COUNCIL MEETING ON FEBRUARY 18 CONCURRENTLY WITH A COUNCIL OF FINANCE MINISTER. THE BELGIAN STATEMENT ON THE SITUATION IN THE COMMUNITY, PARTICULARLY IN THE WAKE OF THE FRENCH FLOAT, WILL BE DISCUSSED AT THE COUNCIL MEETING (FOREIGN MINISTERS) OF FEBRUARY 4-5. END SUMMARY.

2. REGIONAL POLICY. IN THE FIRST TOUR DE TABLE, THE BRITISH (DOUGLAS HOME) ANNOUNCED THAT AS A GESTURE OF GOOD WILL THEY WERE WILLING TO GIVE UP THEIR INSISTANCE ON THE LINKAGE PREVIOUSLY MADE BETWEEN PROGRESS IN REGIONAL POLICY, AND PROGRESS IN ENERGY POLICY AND ECONOMIC AND MONETARY UNION. THE GERMANS (APEL SINCE SCHEEL WAS PRESIDING) INDICATED THAT ALL ASPECTS OF THE REGIONAL FUND WERE NEGOTIATABLE BUT NOT THE TOTAL AMOUNT OF THE FUND, WHICH THEY PROPOSED BE 1.4 BILLION UNITS OF ACCOUNT (UA). THE FRENCH (GUICHARD, JOBERT DID NOT ATTEND THE MEETING) CONTINUED TO HOLD OUT, ALTHOUGH IN LOW KEY, IN FAVOR OF THE COMMISSION'S PROPOSAL OF A FUND OF 2.25 BILLION AND POSITIVE ATMOSPHERE, THE COUNCIL THEN DECIDED TO RECESS AND PERMIT THE COMMISSION (ORTOLI) TO SOUND OUT THE DIFFERENT DELEGATIONS IN ORDER TO SEEK COMMON GROUND FOR A COMPROMISE. THESE CORRIDOR BILATERALS PERMITTED THE COMMISSION TO REPORT TO THE COUNCIL LATER IN THE EVENING THAT THE ELEMENTS OF A COMPROMISE EXISTED.

3. WHILE AGAIN NO ABSOLUTE FIGURES HAVE BEEN REVEALED, ORTOLI TOLD THE COUNCIL THAT THE MEMBER STATES APPEARED LIMITED OFFICIAL USE

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WILLING IN GENERAL TO ACKNOWLEDGE CERTAIN FACTS: 1) THE FUND WOULD HAVE TO BE SMALLER THAN THE COMMISSION PROPOSAL OF 2.25 BILLION UA; 2) THE MAIN RECIPIENT COUNTRIES EXPECTED TO RECEIVE ROUGHLY THE SAME AMOUNT AS THEY WOULD HAVE UNDER THE COMMISSION PROPOSAL, BUT THERE WOULD HAVE TO BE CERTAIN CUTS IN EXPECTATIONS; 3) THERE WOULD HAVE TO BE CERTAIN INCREASES IN CONTRIBUTIONS. A SECOND RECESS, DURING WHICH THE COMMISSION WORKED ON DIFFERENT STATISTICAL ANALYSES, WAS NOT

PRODUCTIVE ENOUGH TO PERMIT AGREEMENT LATE IN THE EVENING WHEN THE MINSTERS RETURNED TO THE COUNCIL CHAMBER. NEVERTHELESS, AS SCHEEL ANNOUNCED IN HIS POST-COUNCIL PRESS CONFERENCE, THE DAY'S DISCUSSION HAD BROUGHT THE COMMUNITY A VERY CONSIDERABLE STEP FORWARD. HE ADDED THAT PREVIOUS SESSIONS HAD ALWAYS ENDED IN AN APPARENTLY IRRESOLVABLE IMPASSE, BUT THAT NOW FOR THE FIRST TIME THE DIRECTION IN WHICH A COMPROMISE WAS POSSIBLE HAD BECOME CLEAR.

4. THE COUNCIL HAD ASKED THE COMMISSION TO CINTINUE ITS ANALYSIS OF THE POSSIBILITIES, AND THE COUNCIL WILL TAKE THE SUBJECT UP AGAIN AT A SPECIAL MEETING ON FEBRUARY 18. SCHEEL ANNOUNCED THAT THE MINISTERS HAD AGREED THAT ANY ATTEMPT TO DISCUSS REGIONAL POLICY AGAIN ON FEBRUARY 4-5 WOULD BE PREMATURE, BUT THAT IT SHOULD NOT BE PUT OFF TO THE NEXT REGULARLY SCHEDULED COUNCIL OF FOREIGN MINISTERS ON MARCH 4-5. FEBRUARY 18 WAS CHOSEN FOR A SPECIAL MEETING OF THE COUNCIL OF FOREIGN MINISTERS BECUASE THE COUNCIL OF FINANCE MINISTERS WILL MEET SEPARATELY THAT SAME DAY AND SCHEEL INDICATED THAT THE FIREIGN MINISTERS MIGHT INVITE THE FINANCE MINISTERS TO JOIN IN THEIR DISCUSSION ON REGIONAL POLICY. SCHEEL TOLD THE PRESS THAT IT WAS HIS BELIEF THAT A COMPROMISE COULD BE REACHED AT THIS MEETING.

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5. IN HIS PRESS CONFERENCE, SCHEEL CONFIRMED THAT THE LINKAGE HAD BEEN BROKEN ON ENERGY AND THAT THE TWO ENERGY AGENDA ITEMS NOT ACCEPTED AT THE COUNCIL MEETING OF DECEMBER 17-18 HAD BEEN FORMALLY ADOPTED. THESE WERE THE DECISION ESTABLISHING AN ENERGY COMMITTEE, AND THE REGULATION ON INFORMATION WHICH WOULD ENABLE EXHAUSTIVE ENERGY TABLES TO BE DRAWN UP FOR THE COMMUNITY BY THE COMMISSION. HE ALSO SAID THAT THE TEXT OF THE RESOLUTION ON THE SECOND STAGE OF ECONOMIC AND
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MONETARY UNION, LEFT UNRESOLVED AT THE DECEMBER COUNCIL MEETING, HAD BEEN RETURNED TO THE COMMITTEE OF PERMANENT REPRESENTATIVES FOR FULL DISCUSSION AND HE HOPED IT COULD BE RETURNED TO THE COUNCIL FOR APPROVAL AS A POINT A ITEM (WITHOUT FURTHER DISCUSSION). WE HAVE BEEN TOLD HOWEVER THAT THE ITALIANS CONTINUED TO INSIST THAT PROGRESS ON REGIONAL POLICY REMAIN LINKED TO THE EMU RESOLUTION. SCHEEL ALSO CONFIRMED, IN RESPONSE TO INSISTENT QUESTIONING, THAT THE COLCK WAS STILL STOPPED ON REGIONAL POLICY, AND THAT WHEN THE POLICY WAS FINALLY ADOPTED IT WOULD APPLY AS OF JANUARY 1, 1974.

6. TWO OR THREE QUESTIONS AT THE PRESS CONFERENCE WERE RAISED CONCERNING THE "CRISIS" IN THE COMMUNITY AND SCHEEL REJECTED SHARPLY THE NOTION THAT THE COMMUNITY WAS IN A STATE OF CRISIS OVER REGIONAL POLICY OR EVEN IN GENERAL.

7. THE STATE OF THE COMMUNITY - THE COUNCIL AGREED, AT THE REQUEST OF THE BELGIAN FOREIGN MINISTER, THAT THE COUNCIL MEETING ON FEBRUARY 4-5 WOULD DISCUSS THE SITUATION IN THE COMMUNITY IN THE LIGHT OF RECENT MONETARY DEVELOPMENTS. THE DISCUSSION WILL BE BASED ON A PAPER WHICH THE BELGIANS PLAN TO TABLE, AND WHICH IS SIMILAR TO THE VAN ELSLANDE STATEMENT OF JANUARY 29 (BRUSSELS 594).

8. THE NEXT SCHEDULED MEETINGS OF THE COUNCIL OF MINISTERS ARE

AS FOLLOWS: FEBRUARY 4-5, FOREIGN MINISTERS; FEBRUARY 11-12,
AGRICULTURE MINISTERS; FEBRUARY 18, FOREIGN MINISTERS;
FEB 18, FINANCE MINISTERS; FEBRUARY 18-19, AGRICULTURE
MINISTERS; FEBRUARY 26, DEVELOPMENT MINISTERS; MARCH 4-5,
FOREIGN MINISTERS, MARCH 4-5, AGRICULTURE MINISTERS; APRIL 1-2,
FOREIGN MINISTERS; APRIL 22-23, AGRICULTURE MINISTERS.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, IMPORTS, LESS DEVELOPED COUNTRIES, ENERGY, FOREIGN MINISTERS MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 31 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ECBRU00645
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974013/aaaaacih.tel
Line Count: 230
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: EC BRUSSELS 0279
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 27 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 MAR 2002 by worrelsw>; APPROVED <30 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: JANUARY 30 EC COUNCIL MEETING (FOREIGN MINISTERS) - REGIONAL POLICY
TAGS: PFOR, EGEN, ENRG, EEC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005